

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

COME-00 TRSE-00 FEAE-00 SIL-01 LAB-04 /079 W

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R 211534Z FEB 75

FM AMCONSUL BELFAST

TO SECSTATE WASHDC 837

INFO AMEMBASSY DUBLIN

AMEMBASSY LONDON

UNCLAS BELFAST 065

E.O. 11652: N/A

TAGS: ECON, PINT, U.K. (N.I.)

SUBJECT: ECONOMIC CRISIS SPREADS TO NORTHERN IRELAND

REF: BELFAST A-12, JANUARY 27, 1975

1. THE ECONOMY, ONE OF THE BRIGHT SPOTS IN THE PROVINCE, IS SUDDENLY A CAUSE FOR CONCERN AS THE GENERAL ECONOMIC GLOOM SPREADS TO NORTHERN IRELAND.

2. DURING THE LAST MONTH SOME POLITICAL AND TRADE UNION LEADERS HAD A SERIES OF MEETINGS WITH STANLEY ORME, THE MINISTER OF STATE WITH RESPONSIBILITY FOR ECONOMIC AFFAIRS TO DISCUSS THE ECONOMIC CRISIS. PROPOSALS DISCUSSED WERE TO GIVE INCREASING ASSISTANCE TO SMALL FIRMS, IMPROVE THE ALREADY FINE TRAINING FACILITIES, AND HELP LARGER FIRMS WITH LIQUIDITY PROBLEMS. THE INDUSTRIES MOST AFFECTED BY THE RECESSION ARE THE TEXTILE AND SHIRT MAKING INDUSTRIES. INDICATIVE OF THE IMPORTANCE ATTACHED TO THE ECONOMIC SITUATION, THE MINISTER, WHO ALSO HAS RESPONSIBILITY FOR OTHER AREAS, NOW DEVOTES 90 PER CENT OF HIS TIME TO ECONOMIC AFFAIRS.

3. UNEMPLOYMENT INCREASED BY OVER 5,000 COMPARED WITH UNCLASSIFIED

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FEBRUARY OF LAST YEAR, AND THE CURRENT UNEMPLOYMENT TOTAL

IS 6.8 PER CENT OF THE INSURED (REGISTERED) POPULATION. ESTIMATES ARE THAT THE UNEMPLOYMENT RATE COULD RISE TO 9 PER CENT IF THE RECESSION IS NOT CHECKED. SOME LOCAL ECONOMISTS ESTIMATE THAT BETWEEN 30/40 MILLION POUNDS ON TOP OF THE CURRENT EXPENDITURE WOULD BE REQUIRED SIMPLY TO REDUCE THE PROVINCE UNEMPLOYMENT RATE, ALREADY THE HIGHEST IN THE UNITED KINGDOM.

4. WITH MANY FIRMS ALREADY ON REDUCED WORKWEEKS, TWO FIRMS CLOSED WITHIN THE LAST MONTH AND A THIRD WAS TAKEN OVER BY THE GOVERNMENT. THESE CLOSURES, ALONG WITH THE DANGER TO THE PROVINCES SHIRTMaking INDUSTRY (SEE REF) IS CAUSE FOR FURTHER CONCERN. HARLAND AND WOLFF LIMITED THE BELFAST SHIPBUILDERS AND PROVINCE LARGEST EMPLOYER JUST ANNOUNCED A FIVE AND ONE-HALF MILLION POUND LOSS FOR THE FIRST HALF OF 1974.

5. A CO-ORDINATED APPROACH TO THE ECONOMIC PROBLEMS OF THE PROVINCE IS LACKING AS MOST POLITICIANS ARE PRE-OCCUPIED WITH POLITICS AND THE FORTHCOMING CONSTITUTIONAL CONVENTION. OTHERS CLAIM THAT BECAUSE OF DIRECT RULE, THE RESPONSIBILITY FOR THE ECONOMIC WELFARE OF THE PROVINCE IS WITH WESTMINSTER. THE SECRETARY GENERAL OF THE IRISH CONGRESS OF TRADE UNIONS IS NOW HAVING URGENT CONSULTATIONS WITH M.P.S AT WESTMINSTER AND TUC OFFICIALS ABOUT THE SITUATION IN THE PROVINCE. ONE EXCEPTION TO THE GENERAL HESITATION OF NORTHERN IRELAND POLITICAL LEADERS TO GRAPPLE WITH ECONOMIC PROBLEMS IS THAT OF UNIONIST PARTY NORTHERN IRELAND (FAULKNER). THE UPNI WITHIN THE PAST WEEK HAS LAUNCHED A CONCERTED CAMPAIGN OF SPEECHES AND STATEMENTS CENTERING ON THE ECONOMY. IT IS CLEAR MR. FAULKNER WILL CAMPAIGN PARTLY ON THE ECONOMY IN THE CONVENTION ELECTION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, INDUSTRY, LABOR UNION OFFICIALS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BELFAS00065
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750062-0930
From: BELFAST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750225/aaaaawal.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 BELFAST A-12, 75 JANUARY 27, 75 1975
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 21 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 NOV 2003 by MaustMC>; APPROVED <30 DEC 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONOMIC CRISIS SPREADS TO NORTHERN IRELAND
TAGS: ECON, PINT, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006